ORAL DECISION

**IN THE MATTER OF an application dated June 12, 2002
by SMT (Eastern) Limited
to Increase the Tariff of Passenger Fares for its Inter-city
Scheduled Services within the Province of New Brunswick**

July 24, 2002

NEW BRUNSWICK

Board of Commissioners of Public Utilities

Chair: The Board has taken the opportunity to recess and we've arrived at a decision that we'll approve the rates as requested. And one of the things that we wanted to do is to indicate on the public record and for the purposes of the press that we certainly approve of SMT's desire to reduce the average age of the fleet. We realize full well that it has absolutely nothing to do with safety matters. It is purely for customer comfort and also we wanted to go on record as congratulating your drivers and your personnel on maintenance etc because SMT (Eastern) Ltd. does have an absolutely excellent driving safety record. I'd like you to pass the congratulations on to you employees.

The Board will accept the auditor's letter, which has been filed for this year. But we're going to ask SMT (Eastern) Ltd. to make their auditor available at the time that they come for their next hearing. I think that will probably overcome the difficulties that we've encountered to date. Believe me, the Board has no desire to increase the expense of complying with regulation, but we do have the public interest that we have to protect.

There remains no need for you to continue to track the miscellaneous services unless it's of value to your company. We wanted to have some degree of comfort as to the magnitude of income coming from those charges but we no longer have need of the information.

The July 11 letter sets out requested route changes, frequencies, directions etc and those changes are all approved by the Board. We would be interested in having you indicate to us after a few months what the reaction of Moncton/PEI passengers have to being required to go to Amherst first before proceeding to the Island. That would be of interest to us.

The further matter dealing with the Salisbury to Moncton routing change, I would like to sit down with Mr. Goss and your company representatives to talk about how we can expeditiously move on that change for you, but as we discussed in the in-camera session,

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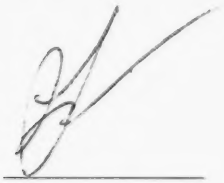
I'd like the people of Salisbury to be able to indicate whether or not they find difficulty with the change or not.

Dated at the City of Saint John, New Brunswick, this 24th day of July 2002.

BY THE BOARD



Lorraine Légère
Board Secretary